

June 9, 2005

CHARLES CRESO  
PO BOX 23429  
FEDERAL WAY WA 98093-0429

Subject: Complaint filed against Vote Yes I-891 Committee and the Entertainment Industry Coalition - PDC Case No. 04-709

Dear Mr. Creso:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received on June 23, 2004, alleging that the Vote Yes I-891 Committee (Yes I-891) and the Entertainment Industry Coalition (EIC) violated RCW 42.17. Your complaint was reviewed in light of the following statutes:

**RCW 42.17.080 and .090** require political committees to file frequent and detailed reports of contribution and expenditure activities, including the disclosure of signature gathering expenditures and the receipt of in-kind contributions for goods or services, including the receipt of signature gathering services in support of a statewide initiative.

**Allegation #1:** You alleged that Yes I-891 failed to disclose in-kind contributions it received from the Entertainment Industry Coalition (EIC) and that EIC failed to disclose paid signature gathering support it gave to Yes I-891 and other statewide initiative committees (I-892 and I-864).

We found that:

- Yes I-891 filed a Committee Registration Statement on March 23, 2004, as a political committee supporting a statewide initiative, I-891.
- Yes I-891 timely reported receiving in-kind contributions totaling \$34,977 from EIC for services provided in May and June of 2004 for management, staff time, support staff and overhead costs. EIC did not expend funds for paid signature gathering support of I-891, I-892 or I-864.

**Allegation #2:** You alleged that EIC did not report activities listed on its website, including a rally and signature gathering contest in support of 2004 statewide initiatives. You also alleged that the EIC did not have a current business license in 2004. The PDC has no jurisdiction over the EIC's business license and did not investigate this allegation.

We found that:

- Fred Rider, who worked with EIC and Yes I-891, said EIC members supporting I-891 likely also supported I-892, and probably would have benefited from the passage of I-892. He said EIC did not provide any support to I-892 except that EIC volunteers exchanged blank petitions and gathered signatures for I-891, I-892 and I-864. He said EIC volunteers were not discouraged from supporting the three Initiatives.
- Mr. Rider said EIC staff members were primarily involved with educating EIC members on a Pierce County smoking ban. He stated that EIC's primary effort was to raise money to pay off legal fees related to a lawsuit filed against the Pierce County Health Department.
- In 2004, a rally was held outside of a Pierce County Health Department meeting with regard to the proposed Pierce County smoking ban. It was not coordinated or paid for by the EIC. Mr. Rider said he believed it was coordinated by several Pierce County restaurants, bars, clubs, bowling alleys and casinos. He said some of the participants may have been members of EIC, and may have circulated petitions, but said the EIC didn't have anything to do with the activity other than making their members aware of the rally.
- Mr. Rider acknowledged that there were signature gathering contests, but said they were conducted by individual casino owners who may have been EIC members. Those casino owners offered prizes to employees and customers who gathered the most signatures. Mr. Rider said that none of those activities were organized or coordinated by EIC, and that EIC didn't reimburse any of the casinos for any of the prizes or gifts that may have been given away.

**Allegation #3:** You alleged that a business letter sent in support for I-864, I-891 and I-892 were not disclosed by any of the initiative committees.

We found that:

- A letter was sent by Tom Iszley with the Silver Dollar Casino, Dave Pardey with Skyway Park Bowl, and Steve Downen with Grand Central Casinos. It was addressed to 1,200 businesses and non-profit organizations licensed with the Washington State Gambling Commission, and solicited support for I-864, I-891 and I-892. The letter briefly described all three initiatives and enclosed a petition for each initiative.

- None of the initiative committees reported receiving an in-kind contribution for the value of the mailing. No evidence was provided or found that Yes I-891 had knowledge of the mailing, or that the letter was organized or coordinated by Yes I-891 or the EIC.

**Allegation #4:** You alleged that I-864, I-891 and I-892 used Citizens Solutions for paid signature gathering services, and that the committees used their resources to support the signature gathering efforts of the other committees, and that the in-kind support received by Yes I-891 was not disclosed.

We found that:

- Citizen's Solutions provided signature gathering services to I-891, I-864 and I-892 during their initiative campaign efforts in calendar year 2004. Voters Want More Choices (I-864) reported expenditures totaling \$50,574, Yes I-891 Committee reported expenditures totaling \$85,871, and Just Treat Us the Same (I-892) reported expenditures totaling \$660,626. All payments were made to Citizens Solutions for paid signature gathering efforts.
- Citizen's Solutions confirmed that some paid signature gatherers collected signatures for all three initiatives, and that the respective committees paid for the signatures collected on their behalf. In addition, Yes I-891 reported receiving an in-kind contribution of \$4,906 from Just Treat Us the Same for signature gathering services.

As noted above, no evidence of violations was found. After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the Vote Yes I-891 Committee and the Entertainment Industry Coalition.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie  
Executive Director

c: Fred Rider  
Linda Matson